

P-407, 413, 430, 407, 405, 426/CP-88-856REQUIRING FILINGS, VARYING TIME REQUIREMENTS, AND NOTIFYING PARTIES OF THE COMMISSION'S INTENTION TO TAKE OFFICIAL NOTICE OF CERTAIN EVIDENCE AND FINDINGS OF FACT IN ANOTHER DOCKET

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Barbara Beerhalter	Chair
Cynthia A. Kitlinski	Commissioner
Norma McKanna	Commissioner
Robert J. O'Keefe	Commissioner
Darrel L. Peterson	Commissioner

In the Matter of the Petition of Certain
Subscribers in the Montrose Exchange for
Extended Area Service to the Minneapolis/St.
Paul Metropolitan Calling Area

ISSUE DATE: August 16, 1989

DOCKET NO. P-407, 413, 430, 407, 405,
426/CP-88-856

ORDER REQUIRING FILINGS, VARYING
TIME REQUIREMENTS, AND
NOTIFYING PARTIES OF THE
COMMISSION'S INTENTION TO TAKE
OFFICIAL NOTICE OF CERTAIN
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PROCEDURAL HISTORY

On October 31, 1988 telephone subscribers in Montrose, Minnesota filed a petition under Minn. Rules, part 7815.0700 requesting Extended Area Service (EAS) between Montrose and the Minneapolis/St. Paul metropolitan calling area. Lakedale Telephone Company serves the Montrose exchange. Northwestern Bell Telephone Company, Contel of Minnesota, Inc., Central Telephone Company of Minnesota, United Telephone System of Minnesota, and Scott-Rice Telephone Company serve the metropolitan calling area.

On February 1, 1989, at the request of the Lakedale and Northwestern Bell Telephone Companies, the Commission deferred consideration of the Montrose petition until the conclusion of the second phase of another proceeding, In the Matter of the Petitions of Certain Subscribers in the Exchanges of Zimmerman, Prescott, Waconia, Belle Plaine, North Branch, Lindstrom, New Prague, Cambridge, Hudson, Le Sueur, Cannon Falls, Delano, Northfield, Buffalo, Houlton, and Watertown for Extended Area Service to the Minneapolis/St. Paul Metropolitan Calling Area, Docket No. P-421, P-405, P-407, P-430, P-426, P-520, P-427/CI-87-76. This proceeding, commonly called the Metro EAS Case, consolidated 16 petitions for EAS to the metropolitan calling area and involved many of the same policy issues as the Montrose petition.

The Commission has now received the report of the Administrative Law Judge in the Metro EAS case and has issued its ORDER in the second phase of that proceeding. The Commission again took

up the Montrose petition on July 18, 1989.

FINDINGS AND CONCLUSIONS

NOTICE OF INTENTION TO TAKE OFFICIAL NOTICE OF CERTAIN EVIDENCE SUBMITTED IN THE METRO EAS CASE AND OF CERTAIN FINDINGS OF FACT BY THE ADMINISTRATIVE LAW JUDGE

The Commission hereby notifies the parties of its intention to take official notice of the following material from the record in the Metro EAS Case:

1. The Administrative Law Judge's FINDINGS OF FACT numbers 40 through 58, regarding the network design of the metropolitan calling area and the evolution of Tiers I through IV;
2. The Administrative Law Judge's FINDINGS OF FACT numbers 60 through 64, regarding market studies on the calling needs of metropolitan calling area ratepayers;
3. The general market study data on which the Administrative Law Judge relied in reaching FINDINGS OF FACT numbers 60 through 64.

This material is hereby entered into the record and may be fully contested by all parties.

TIME REQUIREMENTS OF MINN. RULES, PARTS 7815.0800 THROUGH 7815.1000 VARIED

The Commission may grant a variance to any of its rules upon finding that the following conditions apply:

1. Enforcement of the rule would impose an excessive burden upon the applicant or others affected by the rule;
2. Granting the variance would not adversely affect the public interest; and
3. Granting the variance would not conflict with standards imposed by law.

Minn. Rules, part 7830.4400.

The Commission finds that the time frames established in Minn. Rules, parts 7815.0800 to 7815.1000 for submitting traffic studies, community of interest information, cost studies, and proposed rates are inappropriate for this proceeding. Those rules require the companies to submit traffic studies within 45 days of service of the petition, cost studies and proposed rates five days later, and community of interest information ten days after that. These time lines are not realistic in a case like this, which involves numerous exchanges and wire centers and six telephone companies. Assembling, processing, and submitting the required information will require more time than that allowed in the rules.

The Commission also finds that it would be reasonable to review traffic and community of interest information before directing the companies to conduct cost studies and develop proposed rates. This will allow the companies and their ratepayers to avoid the cost of developing rates for routes which may be rejected on the basis of traffic studies and community of interest considerations alone. It will also allow the companies to present more accurate cost information, since including routes to exchanges and wire centers which might be rejected could result in inflated estimates of joint and common costs.

The Commission concludes that this is an appropriate case to vary the time requirements of the EAS rules. Enforcing the rules would impose an excessive burden on the company and their ratepayers by requiring them to conduct cost studies which might have to be repeated. The first requirement for a variance is therefore met.

The second requirement, that granting the variance not adversely affect the public interest, is also met. In fact, allowing traffic studies and community of interest information to be filed first promotes the public interest by conserving ratepayers' funds and Commission resources through a more orderly and efficient proceeding.

Finally, granting the variance will not conflict with any standards imposed by law. The third requirement for a variance is therefore also met.

The Commission will vary the rules, substituting the following timetables for the ones in the rules. Traffic studies and the community of interest information specified in Minn. Rules, part 7815.1000, items D, E, F, G, and K, will be filed with the Commission, the Department of Public Service (the Department), and the petition sponsor within 90 days of the date of this Order. The Department will file a report and recommendation within 45 days thereafter. Parties will then have 20 days to respond to the Department's report. The Commission will later establish a schedule for filing cost studies and proposed rates for any EAS routes which are found to merit further investigation on the basis of the community of interest and traffic data.

The Commission will also require the companies to submit traffic studies with as much detail as possible regarding call distribution and points of origin and termination.

ORDER

1. The requirements of Minn. Rules, parts 7815.0800 to 7815.1000 are varied to the extent necessary to accommodate the following timetable:
 - (a) Within 90 days of the date of this Order, Lakedale Telephone Company, Northwestern Bell Telephone Company, Contel of Minnesota, Inc., Central Telephone Company of Minnesota, United Telephone System of Minnesota, and Scott-Rice Telephone Company shall file with the Commission, the Department, and the petition sponsor traffic studies and the community of interest information specified in Minn. Rules, part 7815.1000, items D, E, F, G, and K, for the Montrose exchange.
 - (b) Within 45 days of the filing of the above information, the Department shall file and serve on all parties a report and recommendation on the EAS routes proposed in this case.
 - (c) Within 20 days of the filing of the Department's report, all parties shall file and serve on all other parties any comments on the report.
2. The traffic studies filed by the telephone companies shall, to the extent possible, include the following information:
 - (a) For Lakedale Telephone Company, the number of calls to each wire center or exchange within the metropolitan calling area and calling distribution information regarding calls to the three exchanges or wire centers receiving the highest numbers of calls;
 - (b) For the other companies, the average number of calls to Montrose from each exchange or wire center within the metropolitan calling area which it serves.

3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Mary Ellen Hennen
Executive Secretary

(S E A L)